

Issue 3

Proposed Regulatory Language

Team II - School-based Loan Issues

Origin: HEOA section 1011

Issue: Disclosures of Reimbursements for
Service on Advisory Boards

Statutory cites: HEA section 485(m)

Regulatory cites: New §668.16(d)

DCL GEN-08-12 cite: Page 102

Status: Tentative agreement reached

Regulatory language:

§ 668.16 Standards of administrative capability.

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution-

(a) Administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA;

* * * * *

(d) (1) Establishes and maintains records required under this part and the individual Title IV, HEA program regulations; and

(2) ~~(A)~~ (i) Reports annually to the Secretary on any reasonable reimbursements paid or provided by a private education lender or group of lenders as described under section 140(d) of the Truth in Lending Act (15 U.S.C. 1631) to any employee who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to education loans or other financial aid of the institution, including--

~~(i)~~ (A) The amount for each specific instance of reasonable expenses paid or provided;

~~(ii)~~ (B) The name of the financial aid official, other employee, or agent to whom the expenses were paid or provided;

~~(iii)~~ (C) The dates of the activity for which the expenses were paid or provided; and

~~(iv)~~ (D) A brief description of the activity for which the expenses were paid or provided.

~~(B)~~ (ii) ~~The expenses~~ Expenses are considered to be reasonable if the expenses--

~~(i)~~(A) Meet the standards of and are paid in accordance with a State government reimbursement policy applicable to the entity; or

~~(ii)~~(B) Meet the standards of and are paid in accordance with the applicable Federal cost principles for reimbursement, if no State policy exists that is applicable to the entity exists.

(iii) The policy must be consistently applied to an institution's employees.

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~~(Approved by the Office of Management and Budget under control number 1840-0537)~~

~~(Authority: 20 U.S.C. 1082, 1985, 1094, and 1099e)~~

~~[59 FR 22431, Apr. 29, 1994, as amended at 59 FR 34964,
July 7, 1994; 59 FR 61180, Nov. 29, 1994; 60 FR 34431, June
30, 1995; 60 FR 42408, Aug. 15, 1995; 61 FR 60603, Nov. 29,
1996; 62 FR 27128, May 16, 1997; 63 FR 40624, July 29,
1998; 64 FR 59038, Nov. 1, 1999; 65 FR 65637, Nov. 1, 2000]~~

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Amendatory Language

Team II - School-based Loan Issues

x. Section 668.16 is amended by:

A. Revising paragraph (d).

B. Adding paragraph (d)(2).

C. Revising the authority citation that appears at the end of the section.

The revisions and additions read as follows:

§668.16 Standards of administrative capability.

* * * * *

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(2)(i) Reports annually to the Secretary on any reasonable reimbursements paid or provided by a private education lender or group of lenders as described under section 140(d) of the Truth in Lending Act (15 U.S.C. 1631(d)) to any employee who is employed in the financial aid office of the institution or who otherwise has

responsibilities with respect to education loans or other financial aid of the institution, including--

(A) The amount for each specific instance of reasonable expenses paid or provided;

(B) The name of the financial aid official, other employee, or agent to whom the expenses were paid or provided;

(C) The dates of the activity for which the expenses were paid or provided; and

(D) A brief description of the activity for which the expenses were paid or provided.

(ii) Expenses are considered to be reasonable if the expenses--

(A) Meet the standards of and are paid in accordance with a State government reimbursement policy applicable to the entity; or

(B) Meet the standards of and are paid in accordance with the applicable Federal cost principles for reimbursement, if no State policy that is applicable to the entity exists.

(iii) The policy must be consistently applied to an institution's employees.

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(Authority: 20 U.S.C. 1082, 1985, 1092, 1094, and 1099c)